



Lesedi Local Municipality (GT423)
Annual Financial Statements
for the year ended 30 June 2010

Auditor-General
Issued 30 November 2010

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

General Information

Nature of business and principal activities	Local Authority
Registered office	Civic Center C/o H F Verwoerd & Louw Streets Heidelberg 1441
Postal address	P O Box 201 Heidelberg Gauteng 1441
Controlling entity	incorporated in South Africa
Auditors	Auditor-General

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Index

The reports and statements set out below comprise the annual financial statements presented to the council:

Index	Page
Accounting Officer's Responsibilities and Approval	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Net Assets	6
Cash flow statement	7
Accounting Policies	8 - 17
Notes to the Annual Financial Statements	18 - 35

The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income statement	36
Appendixes:	
Appendix A: Schedule of External loans	37
Appendix B: Analysis of Property, Plant and Equipment	39
Appendix C: Segmental analysis of Property, Plant and Equipment	43
Appendix D: Segmental Statement of Financial Performance	45
Appendix E(1): Actual versus Budget (Revenue and Expenditure)	47
Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)	51
Appendix F: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act	53

Abbreviations

DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP).

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2011 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 4 to 36, which have been prepared on the going concern basis, were approved by the Council on 01 March 1900 and were signed on its behalf by:

**Accounting Officer
Designation**

Heidelberg

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Statement of Financial Position

Figures in Rand	Note(s)	2010	2009
Assets			
Current Assets			
Inventories	7	17 853 189	4 586 397
Trade and other receivables from exchange transactions	8	5 483 336	7 253 057
VAT receivable	9	12 468 011	5 560 924
Consumer debtors	10	29 400 487	32 930 650
Cash and cash equivalents	11	20 498 240	39 181 936
		85 703 263	89 512 964
Non-Current Assets			
Investment property	2	285 707 001	1
Property, plant and equipment	3	295 634 494	280 464 469
Intangible assets	4	1 133 197	699 336
		582 474 692	281 163 806
Total Assets		668 177 955	370 676 770
Liabilities			
Current Liabilities			
Other financial liabilities	12	4 753 061	4 150 968
Trade and other payables from exchange transactions	15	29 426 496	28 422 546
Consumer deposits	16	6 168 838	5 785 330
Unspent conditional grants and receipts	13	18 924 485	16 210 238
Provisions	14	4 711 747	3 991 077
		63 984 627	58 560 159
Non-Current Liabilities			
Other financial liabilities	12	49 406 245	45 189 098
Provisions	14	1 261 982	802 760
		50 668 227	45 991 858
Total Liabilities		114 652 854	104 552 017
Net Assets		553 525 101	266 124 753
Net Assets			
Accumulated surplus		553 525 101	266 124 753

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Statement of Financial Performance

Figures in Rand	Note(s)	2010	2009
Revenue	17	303 011 407	272 326 102
Other income		1 571 989	-
Operating expenses		(314 082 415)	(256 234 148)
Operating (deficit) surplus	22	(9 499 019)	16 091 954
Investment revenue	27	2 556 202	8 579 806
Fair value adjustments	28	299 793 000	-
Finance costs	30	(4 639 961)	(4 532 316)
Surplus for the year		288 210 222	20 139 444

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2008	245 985 309	245 985 309
Changes in net assets		
Surplus for the year	20 139 444	20 139 444
Total changes	20 139 444	20 139 444
Balance at 01 July 2009	265 314 879	265 314 879
Changes in net assets		
Surplus for the year	288 210 222	288 210 222
Total changes	288 210 222	288 210 222
Balance at 30 June 2010	553 525 101	553 525 101

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Cash flow statement

Figures in Rand	Note(s)	2010	2009
Cash flows from operating activities			
Receipts			
Sale of goods and services		206 777 783	183 795 329
Grants		75 346 358	76 841 439
Interest income		2 556 202	8 579 806
		284 680 343	269 216 574
Payments			
Employee costs		(72 490 154)	(67 157 854)
Suppliers		(188 840 730)	(168 468 321)
Finance costs		(4 639 961)	(4 532 316)
		(265 970 845)	(240 158 491)
Net cash flows from operating activities	35	18 709 498	29 058 083
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(40 755 516)	(65 167 753)
Proceeds from sale of property, plant and equipment	3	72 836	422 805
Purchase of investment property	2	-	(1)
Purchase of other intangible assets	4	(719 880)	(803 181)
Proceeds from sale of financial assets		-	61 000
Net cash flows from investing activities		(41 402 560)	(65 487 130)
Cash flows from financing activities			
Proceeds from other financial liabilities		8 724 278	4 185 132
Repayment of other financial liabilities		(3 905 038)	(3 502 343)
Other cash item		(809 875)	(381 543)
Net cash flows from financing activities		4 009 365	301 246
Net increase/(decrease) in cash and cash equivalents		(18 683 697)	(36 127 801)
Cash and cash equivalents at the beginning of the year		39 181 936	75 309 735
Cash and cash equivalents at the end of the year	11	20 498 239	39 181 934

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next twelve months and are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards:

GRAP 4: The Effects of Changes in Foreign Exchange Rates
GRAP 5: Borrowing Costs
GRAP 6: Consolidated and Separate Financial Statements
GRAP 7: Investments in Associates
GRAP 8: Investments in Joint Ventures
GRAP 9: Revenue from Exchange Transactions
GRAP 10: Financial Reporting in Hyperinflationary Economies
GRAP 11: Construction Contracts
GRAP 12: Inventories
GRAP 13: Leases
GRAP 14: Events after the Reporting Date
GRAP 16: Investment Property
GRAP 17: Property, Plant and Equipment
GRAP 19: Provisions, Contingent Liabilities and Contingent Assets
GRAP 24: Presentation of Budget Information in Financial Statements
GRAP 100: Non-current Assets Held for Sale and Discontinued Operations
GRAP 101: Agriculture
GRAP 102: Intangible Assets

The provisions of GRAP 23 -Revenue from Non-exchange Transactions (Taxes and Transfers) relating to transfers and subsidies received were adopted in accordance with the allowance made by GRAP 3 -Accounting Policies, Changes in Accounting Estimates and Errors, paragraphs 7 and 11.

The standards became effective for implementation in financial periods beginning on or after 1 April 2009, with the exception of GRAP 23 which was approved by the Accounting Standards Board but not yet effective as at 30 June 2010. Adoption of the standards has had no material impact on the current and future periods.

These accounting policies are consistent with the previous period.

1.1 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.1 Property, plant and equipment (continued)

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	30 years
Lifts	30 years
Air-conditioners	5 years

Transitional provision

According to the transitional provision as per Directive 4, the municipality is not required to measure investment property for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Investment property. Investment property has accordingly been recognised at provisional amounts, as disclosed in 2. The transitional provision expires on 30 June 2012.

Until such time as the measurement period expires and investment property is recognised and measured in accordance with the requirements of the Standard of GRAP on Investment property, the municipality need not comply with the Standards of GRAP on:

- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Non-current Assets Held for Sale and Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Investment property implies that any associated presentation and disclosure requirements need not be complied with for investment property not measured in accordance with the requirements of the Standard of GRAP on Investment property.

1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.2 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Infrastructure	
• Roads and paving	10 - 30
• Electricity	20 - 30
• Water	15 - 20
• Sewerage	15 - 20
• Landfill site	17
Community	
• Buildings	30
• Recreational Facilities	20 - 30
• Security	5
Other property, plant and equipment	
• Buildings	30
• Specialist vehicles	10
• Other vehicles	5
• Furniture and fittings	7
• Vehicles	5
• Bins and containers	5
• Office equipment	3-7
Heritage	
• Museums & other collectables	indefinite

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Transitional provision

The municipality changed its accounting policy for property, plant and equipment in 2007. The change in accounting policy is made in accordance with its transitional provision as per Directive 4 of the GRAP Reporting Framework.

According to the transitional provision, the municipality is not required to measure property, plant and equipment for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Property, plant and equipment. Property, plant and equipment has accordingly been recognised at provisional amounts, as disclosed in 3. The transitional provision expires on 30 June 2011.

In accordance with the transitional provision as per Directive 4 of the GRAP Reporting Framework, where property, plant and equipment was acquired through a transfer of functions, the municipality is not required to measure that property, plant and equipment for a period of three years from the effective date of the transfer of functions or the effective date of the Standard, whichever is later. The municipality acquired a transfer(s) of function in 2003 and property, plant and equipment has accordingly been recognised at provisional amounts, as disclosed in 3.

Until such time as the measurement period expires and property, plant and equipment is recognised and measured in accordance with the requirements of the Standard of GRAP on Property, plant and equipment, the municipality need not comply with the Standards of GRAP on:

- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Non-current Assets Held for Sale and Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Property, plant and equipment implies that any associated presentation and disclosure requirements need not be complied with for property, plant and equipment not measured in accordance with the requirements of the Standard of GRAP on Property, plant and equipment.

1.3 Intangible assets

Intangible assets are initially recognised at cost.

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.3 Intangible assets (continued)

Computer software is capitalised to computer equipment where it forms an integral part of computer equipment.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

1.4 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

1.5 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.5 Impairment of non-cash-generating assets (continued)

Identification

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.6 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Trade and other receivables

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.6 Financial instruments (continued)

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in surplus or deficit.

Changes in the fair value of derivative financial instruments are recognised in surplus or deficit as they arise.

Derivatives are classified as financial assets at fair value through surplus or deficit - held for trading.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity.

1.7 Inventories

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.7 Inventories (continued)

Subsequently inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.8 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.9 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding agreement.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.10 Employee benefits (continued)

leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the municipality's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.11 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Operating leases - the Municipality as lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Income for leases is disclosed under revenue in statement of financial performance.

1.13 Tax

Income tax expense, assets and liabilities

The Municipality is exempted from tax in terms of section 10(1)(a) of the Income Tax Act.

1.14 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.15 Revenue from exchange transactions (continued)

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.15 Revenue from exchange transactions (continued)

- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.16 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Rates, including collection charges and penalties interest

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

1.17 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Where unauthorised expenditure is not approved, it is recovered from the responsible person and the amount received is accounted for as revenue in the Statement of Financial Performance.

1.18 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as a current asset until it is recovered or written off as irrecoverable in the Statement of Financial Performance.

1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
-----------------	------	------

2. Investment property

	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	285 707 001	-	285 707 001	1	-	1

Reconciliation of investment property - 2010

	Opening balance	Fair value adjustments	Total
Investment property	1	285 707 000	285 707 001

Reconciliation of investment property - 2009

	Opening balance	Additions	Total
Investment property	-	1	1

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Transitional provisions

Investment property recognised at provisional amounts

In accordance with the transitional provisions as per Directive 4 of the GRAP Reporting Framework, as disclosed in note , certain investment property with a carrying value of R285 707 001 (2009: R 1) was recognised at provisional amounts.

3. Property, plant and equipment

	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	18 794 602	-	18 794 602	18 794 602	-	18 794 602
Infrastructure	392 112 734	(198 240 889)	193 871 845	361 888 518	(180 586 522)	181 301 996
Community	54 856 385	(11 111 707)	43 744 678	48 509 968	(9 535 728)	38 974 240
Other property, plant and equipment	96 391 914	(57 168 545)	39 223 369	94 930 474	(53 536 843)	41 393 631
Total	562 155 635	(266 521 141)	295 634 494	524 123 562	(243 659 093)	280 464 469

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Disposals	Depreciation	Total
Land	18 794 602	-	-	-	18 794 602
Infrastructure	181 301 996	30 224 216	-	(17 654 367)	193 871 845
Community	38 974 240	6 346 417	-	(1 575 979)	43 744 678
Other property, plant and equipment	41 393 631	4 184 883	(72 836)	(6 282 309)	39 223 369
	280 464 469	40 755 516	(72 836)	(25 512 655)	295 634 494

Reconciliation of property, plant and equipment - 2009

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand					2010	2009	
3. Property, plant and equipment (continued)							
	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	9 907 602	8 887 000	-	-	-	-	18 794 60
Infrastructure	175 463 181	22 892 417	-	(14 614)	(17 038 988)	-	181 301 99
Community	19 044 284	21 001 961	-	-	(1 072 005)	-	38 974 24
Other property, plant and equipment	35 330 907	12 386 375	(651 103)	-	(5 883 458)	210 910	41 393 63
	239 745 974	65 167 753	(651 103)	(14 614)	(23 994 451)	210 910	280 464 46

Transitional provisions

Property, plant and equipment recognised at provisional amounts

In accordance with the transitional provisions as per Directive 4 of the GRAP Reporting Framework, as disclosed in note , certain property, plant and equipment with a carrying value of R284 386- (2009: R184 051-) was recognised at provisional amounts.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

4. Intangible assets

	2010			2009		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	4 246 503	(3 113 306)	1 133 197	3 526 623	(2 827 287)	699 336

Reconciliation of intangible assets - 2010

	Opening balance	Additions	Amortisation	Total
Computer software, other	699 336	719 880	(286 019)	1 133 197

Reconciliation of intangible assets - 2009

	Opening balance	Additions	Amortisation	Total
Computer software, other	72 836	803 181	(176 681)	699 336

5. Other financial assets

The municipality has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

There were no gains or losses realised on the disposal of held to maturity financial assets in 2010 and 2009, as all the financial assets were disposed of at their redemption date.

For debt securities classified as at fair value through surplus or deficit, the maximum exposure to credit risk at the reporting date is the carrying amount.

6. Retirement benefits

Post-Retirement Medical Aid Plan

Lesedi operates on 4 accredited medical aid schemes, namely Hosmed, Key Health, Bonitas and LA Health. Pensioners continue on the option they belonged to on the day of their retirement.

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
7. Inventories		
Consumable stores	3 658 697	4 470 352
Water	108 492	116 045
Unsold Properties Held for Resale	14 086 000	-
	17 853 189	4 586 397
8. Trade and other receivables from exchange transactions		
Employee costs in advance	-	2 922
Deposits	108 889	108 889
Sundry debtors	551 235	698 679
Insurance debtor	-	125 886
Housing debtors	3 147 132	3 402 905
Prepaid expenses	-	7 685
Interest receivables	470 961	337 085
Grant claims receivable	1 205 119	2 569 006
	5 483 336	7 253 057
9. VAT receivable		
VAT	12 468 011	5 560 924
10. Consumer debtors		
Gross balances		
Rates	24 024 856	24 006 107
Electricity	34 307 576	18 107 831
Water	31 725 278	27 025 914
Sewerage	14 678 378	12 641 646
Refuse	23 962 527	20 141 908
Other (specify)	27 823 429	23 397 069
	156 522 044	125 320 475
Less: Provision for debt impairment		
Rates	(21 182 944)	(16 828 183)
Electricity	(30 249 307)	(15 234 356)
Water	(27 972 479)	(17 598 284)
Sewerage	(12 942 065)	(8 898 771)
Refuse	(21 127 988)	(14 101 092)
Other (specify)	(13 646 774)	(19 729 139)
	(127 121 557)	(92 389 825)
Net balance		
Rates	2 841 912	7 177 924
Electricity	4 058 269	2 873 475
Water	3 752 799	9 427 630
Sewerage	1 736 313	3 742 875
Refuse	2 834 539	6 040 816
Other (specify)	14 176 655	3 667 930
	29 400 487	32 930 650
Rates		
Current (0 -30 days)	664 953	1 402 687
31 - 60 days	85 161	573 584

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
10. Consumer debtors (continued)		
61 - 90 days	64 107	291 571
91 - 120 days	52 276	69 298
121 - 365 days	182 750	243 069
> 365 days	1 792 665	4 597 715
	2 841 912	7 177 924
Electricity		
Current (0 -30 days)	1 596 839	5 305 834
31 - 60 days	213 251	1 137 684
61 - 90 days	178 149	454 250
91 - 120 days	148 005	85 111
121 - 365 days	720 491	298 536
> 365 days	1 201 534	(4 407 940)
	4 058 269	2 873 475
Water		
Current (0 -30 days)	354 131	2 480 356
31 - 60 days	139 438	994 970
61 - 90 days	176 290	514 701
91 - 120 days	146 232	148 605
121 - 365 days	629 945	521 246
> 365 days	2 306 763	4 767 752
	3 752 799	9 427 630
Sewerage		
Current (0 -30 days)	176 211	696 300
31 - 60 days	59 598	350 035
61 - 90 days	49 127	188 487
91 - 120 days	45 438	47 791
121 - 365 days	279 188	167 632
> 365 days	1 126 751	2 292 630
	1 736 313	3 742 875
Refuse		
Current (0 -30 days)	181 711	928 792
31 - 60 days	103 714	552 717
61 - 90 days	89 026	309 246
91 - 120 days	81 331	80 587
121 - 365 days	497 765	282 666
> 365 days	1 880 992	3 886 808
	2 834 539	6 040 816
Other (specify)		
Current (0 -30 days)	139 244	-
31 - 60 days	9 812	-
61 - 90 days	7 294	-
91 - 120 days	8 889	1 428 829
121 - 365 days	162 897	2 239 101
> 365 days	13 848 519	-
	14 176 655	3 667 930
Reconciliation of debt impairment provision		
Balance at beginning of the year	(92 389 825)	(80 469 841)

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
10. Consumer debtors (continued)		
Contributions to provision	(40 086 922)	(20 257 350)
Debt impairment written off against provision	5 355 190	8 337 366
	(127 121 557)	(92 389 825)
11. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	22 237	2 335
Bank balances	5 332 282	11 957 021
Short-term deposits	15 000 000	26 000 000
Other cash and cash equivalents	143 721	1 222 580
	20 498 240	39 181 936
12. Other financial liabilities		
At fair value through surplus or deficit		
Development Bank of South Africa	54 159 306	49 340 066
Interest rates for the loans varies between 5.00% and 14.24%, and loans are repayable bi-monthly instalments of between R5,491 and R1,377,105. The terms of the loans also differ between 10 and 20 years.		
Non-current liabilities		
Fair value through surplus or deficit	49 406 245	45 189 098
Current liabilities		
Fair value through surplus or deficit	4 753 061	4 150 968
	54 159 306	49 340 066
13. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Municipal infrastructure grants	16 616 137	7 015 709
Municipal systems improvement grants	-	73 142
District grants	177	48 465
Finance management grants	505 720	-
Provincial grants	1 772 844	8 945 819
Other	29 607	127 103
	18 924 485	16 210 238
Movement during the year		
Balance at the beginning of the year	16 210 238	24 350 554
Additions during the year	73 982 201	76 841 439
Income recognition during the year	(71 267 954)	(84 981 755)
	18 924 485	16 210 238

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
-----------------	------	------

13. Unspent conditional grants and receipts (continued)

See note for reconciliation of grants from National/Provincial Government.

14. Provisions

Reconciliation of provisions - 2010

	Opening Balance	Additions	Utilised during the year	Total
Environmental rehabilitation: Open landfill sites	802 760	459 222	-	1 261 982
Leave pay	3 991 077	1 446 256	(725 586)	4 711 747
	4 793 837	1 905 478	(725 586)	5 973 729

Reconciliation of provisions - 2009

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Environmental rehabilitation: Open landfill sites	883 806	802 760	-	(883 806)	802 760
Leave pay	3 295 794	1 058 483	(363 200)	-	3 991 077
	4 179 600	1 861 243	(363 200)	(883 806)	4 793 837

Non-current liabilities				1 261 982	802 760
Current liabilities				4 711 747	3 991 077
				5 973 729	4 793 837

15. Trade and other payables from exchange transactions

Trade payables	14 308 073	19 659 858
Payments received in advanced - contract in process	7 694 117	2 751 552
Retentions	4 926 063	2 822 669
Sundry creditors	1 098 506	1 106 136
Bank deposits not yet receipted	(103 246)	515 512
Other payables	146 795	115 527
Audit fees	981 262	981 263
Interest on DBSA	374 926	470 029
	29 426 496	28 422 546

16. Consumer deposits

Consumer deposits - Elec, water & refuse	6 168 838	5 785 330
--	-----------	-----------

Guarantees held in lieu of Electricity and Water Deposits R 517,756 (2009: R 517,756).

17. Revenue

Property rates	29 313 077	27 245 369
Service charges	197 109 625	153 340 994
Rental of facilities & equipment	3 007 924	2 864 910
Fines	2 455 529	3 893 074
Government grants & subsidies	71 125 252	84 981 755
	303 011 407	272 326 102

The amount included in revenue arising from exchanges of goods or services are as follows:

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
17. Revenue (continued)		
Service charges	197 109 625	153 340 994
Rental of facilities & equipment	3 007 924	2 864 910
	200 117 549	156 205 904

The amount included in revenue arising from non-exchange transactions is as follows:

Property rates	29 313 077	27 245 369
Fines	2 455 529	3 893 074
Government grants & subsidies	71 125 252	84 981 755
	102 893 858	116 120 198

18. Property rates

Rates received

Municipal rates levied	29 313 077	27 245 369
------------------------	------------	------------

Valuations

Residential	3 055 022 361	2 927 849 660
Commercial	428 404 901	450 049 741
State	227 859 101	191 593 000
Municipal	49 259 250	100 903 811
Small holdings and farms	654 892 573	688 038 894
	4 415 438 186	4 358 435 106

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2006. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

A general rate of R0.013 (2009: R0.012) is applied to property valuations to determine assessment rates. Rebates of 20% (2009: 20%) are granted to state property owners. Rebates of a minimum of R15,000 is deducted from all residential property valuations before applying the general rate.

Rates are levied on a monthly basis. Interest at 10% per annum (2009: 10%) and a collection fee of nil % (2009: nil %), is levied on rates outstanding two months after due date.

The new general valuation was implemented on 01 July 2010.

19. Service charges

Sale of electricity	130 559 372	89 880 999
Sale of water	33 876 924	34 695 797
Sewerage and sanitation charges	12 610 936	11 589 901
Refuse removal	16 942 443	15 624 427
Other service charges	3 119 950	1 549 870
	197 109 625	153 340 994

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
20. Government grants and subsidies		
Government grants	108 555	-
Municipal system infrastructure grants	808 142	2 505 896
Municipal infrastructure grants	13 001 571	22 198 874
Provincial government	13 334 763	24 507 934
Equitable share	38 295 501	30 153 695
Other grants and subsidies	43 344	525 938
Financial management grant	2 244 280	1 762 096
Provincial health subsidies	3 289 096	3 327 322
	71 125 252	84 981 755

21. General expenses

Advertising	316 936	440 056
Assessment rates & municipal charges	4 527	9 053
Assets expensed	55 263	49 150
Auditors remuneration	1 829 581	1 935 634
Bank charges	301 551	248 873
Billing and meter reading charges	597 453	663 335
Cleaning	35 218	110 340
Community development and training	1 128 256	1 226 515
Consulting and professional fees	5 852 181	4 411 650
Consumables	479 940	603 064
Debt collection	224 948	242 273
Delivery expenses	2 981 265	1 022 354
Donations	27 432	39 000
Entertainment	145 193	433 129
Prior year expense expensed	1 523 300	-
Farming only	7 778 288	-
Fines and penalties	4 650	-
Own Fleet	6 905 247	8 513 521
Hire	264 795	442 351
IT expenses	2 558 533	1 824 103
Insurance	1 155 532	1 404 975
Laboratory charges	14 183	15 966
Magazines, books and periodicals	336 550	947 931
Marketing	319	28 287
Medical expenses	748	11 915
Pest control	93 098	78 237
Pension costs	603 006	788 274
Postage and courier	356 356	280 037
Printing and stationery	993 928	1 360 594
Promotions	2 992	-
Promotions and sponsorships	40 317	23 285
Property only	447 066	1 122 136
Protective clothing	636 466	388 876
Refuse	3 651 120	2 656 916
Security (Guarding of municipal property)	4 590 789	3 867 515
Software expenses	1 241 428	1 339 779
Subscriptions and membership fees	425 671	335 737
Telephone and fax	975 193	1 077 081
Training	572 764	1 921 469
Travel - local	237 095	680 784
Other expenses	3 290 357	1 260 135
	52 679 535	41 804 330

22. Operating (deficit) surplus

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
22. Operating (deficit) surplus (continued)		
Operating (deficit) surplus for the year is stated after accounting for the following:		
Loss on sale of property, plant and equipment	-	(228 298)
Depreciation on property, plant and equipment	25 798 673	23 924 979
Employee costs	79 124 130	72 233 255

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
23. Employee related costs		
Basic	47 314 633	42 245 598
Medical aid - company contributions	3 156 955	3 171 450
UIF	451 993	424 785
WCA	466 521	391 561
SDL	505 491	476 214
Other payroll levies	20 509	18 961
Leave pay provision charge	720 670	1 137 380
Pension costs	9 327 225	8 617 945
Leave pay	725 586	396 191
Travel, motor car, accommodation, subsistence and other allowances	2 530 450	2 666 139
Overtime payments	2 523 101	2 294 227
Acting allowances	1 244 328	966 173
Transport allowance (bus coupons)	210	188
Housing benefits and allowances	416 087	551 318
Cell phone allowance	77 670	62 023
Group insurance	623 143	560 904
Leave bonus	3 528 661	3 176 797
	73 633 233	67 157 854
Remuneration of the Municipal Manager		
Annual Remuneration	533 058	518 280
Car Allowance	112 573	123 479
Performance Bonuses	-	72 460
Contributions to UIF, Medical and Pension Funds	171 219	156 241
Performance 2007/08	-	66 010
Other	37 010	-
	853 860	936 470
Remuneration of the Chief Finance Officer		
Annual Remuneration	-	401 988
Car Allowance	-	171 617
Performance Bonuses	-	50 520
Contributions to UIF, Medical and Pension Funds	-	110 395
Performance 2006/07	-	10 158
	-	744 678
Remuneration of Executive Managers		
Management Support Services		
Annual Remuneration	523 716	298 536
Car Allowance	181 709	99 566
Performance Bonuses	-	44 040
Contributions to UIF, Medical and Pension Funds	1 497	898
Performance bonus 2006/07	-	19 167
Other	24 958	-
	731 880	462 207
Community Services		
Annual Remuneration	484 696	451 854
Car Allowance	128 977	122 320

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
23. Employee related costs (continued)		
Performance Bonuses	-	44 040
Contributions to UIF, Medical and Pension Funds	118 207	109 825
Performance Bonus	-	45 000
	731 880	773 039
Service Delivery		
Annual Remuneration	459 957	369 600
Car Allowance	139 745	138 595
Performance Bonuses	-	48 480
Contributions to UIF, Medical and Pension Funds	132 178	175 805
Performance Bonus 2006/07	-	57 500
	731 880	789 980
Development Planning and Housing		
Annual Remuneration	503 044	431 926
Car Allowance	99 718	87 304
Contributions to UIF, Medical and Pension Funds	129 118	107 770
	731 880	627 000
24. Remuneration of councillors		
Executive Major	625 643	550 703
Speaker	476 069	430 943
Councillors	4 389 185	4 093 755
	5 490 897	5 075 401
In-kind benefits		
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Executive Mayor has use of a Council owned vehicle with two driver bodyguards for official duties.		
25. Administrative expenditure		
Administration and management fees - third party	5 500	11 212
26. Debt impairment		
Debt impairment	265 531	-
Contributions to debt impairment allowance	30 456 469	11 994 985
Debts impaired	5 355 190	8 262 365
	36 077 190	20 257 350

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
27. Investment revenue		
Interest revenue		
Interest charged on trade and other receivables	1 418 591	1 763 388
Interest earned - external investments	1 137 611	6 816 418
	2 556 202	8 579 806
The amount included in Investment revenue arising from non-exchange transactions amounted to R 2 556 202.		
28. Fair value adjustments		
Investment property (Fair value model)	299 793 000	-
29. Depreciation and amortisation		
Property, plant and equipment	25 798 673	23 924 979
30. Finance costs		
Interest on convertible instruments	4 639 961	4 532 316
Capitalisation rates used during the period were -% on specific borrowings for capital projects and 9% being the weighted average cost of funds borrowed generally by the municipality.		
31. Taxation		
Reconciliation of the tax expense		
Reconciliation between accounting surplus and tax expense.		
Accounting surplus	288 210 222	20 139 444
Tax at the applicable tax rate of 28% (2009: 28%)	80 698 862	933 535
32. Auditors' remuneration		
Fees	1 829 581	1 935 634
33. Contracted services		
Specialist Services	980 393	870 981
Other Contractors	1 142 840	1 192 211
	2 123 233	2 063 192
34. Bulk purchases		
Electricity	81 508 332	60 330 890
Water	17 898 475	19 357 128
Sewer purification	4 650 319	3 356 326
	104 057 126	83 044 344
35. Cash generated from operations		
Surplus	288 210 222	20 139 444
Adjustments for:		

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
35. Cash generated from operations (continued)		
Depreciation and amortisation	25 798 673	23 924 979
Gain on sale of assets and liabilities	-	228 298
Fair value adjustments	(299 793 000)	-
Debt impairment	36 077 190	20 257 350
Movements in provisions	1 179 892	614 237
Revaluation of unsold properties held for sale	14 086 000	-
Changes in working capital:		
Inventories	(13 266 792)	(445 953)
Trade and other receivables from exchange transactions	1 769 721	(1 808 188)
Consumer debtors	(32 547 027)	(25 208 018)
Trade and other payables from exchange transactions	1 003 951	702 953
VAT	(6 907 087)	(1 484 492)
Unspent conditional grants and receipts	2 714 247	(8 140 315)
Consumer deposits	383 508	277 788
	18 709 498	29 058 083

36. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	-	7 836 676
• Labokeng Construction Technologies	247 067	5 768 945
• Century Civils	571 464	-
• Mamohato Construction	3 275 176	-
	4 093 707	13 605 621

This committed expenditure relates to plant and equipment and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	451 373	155 662
- in second to fifth year inclusive	636 133	139 529
	1 087 506	295 191

Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

37. Contingencies

No litigation is currently in the process against the municipality.

38. Related parties

Relationships

Close family member of key management	None
Joint venture of key management	None
Associate of close family member of key management	None
Members of key management	Directors remuneration- Refer to Employee Related Costs and Remuneration of Councillors notes.

39. Prior period errors

Property, Plant and Equipment were depreciated at the tax rates. The useful lives and residual values were not appropriately

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
-----------------	------	------

39. Prior period errors (continued)

considered. (Give the nature of the error.)

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Bank Balances and cash	-	(5 086 427)
Current Liabilities	-	7 396 500
Opening Accumulated Surplus or Deficit	5 869 221	-

Statement of financial performance

Prior year error expense	(6 970 387)	-
Other Income - Grants not rolled over	-	7 396 500
Other income - Vat	-	(5 086 427)
Prior year error income	1 101 166	-

Cash flow statement

40. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequately utilised borrowing facilities are monitored.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the council. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2010	2009
ABSA-call account	9 000 000	8 000 000
INVESTEC Bank	6 000 000	18 000 000
ABSA - current account	5 332 282	11 957 021

41. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

42. Events after the reporting date

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
-----------------	------	------

42. Events after the reporting date (continued)

No reportable events occurred after the reporting date.

43. Irregular expenditure

Add: Irregular Expenditure - current year	16 108	53 159
Less: Amounts condoned	-	(53 159)
	16 108	-

Details of irregular expenditure – current year

Salary officials processed salary adjustments irregularly.	Disciplinary steps taken/criminal proceedings Disciplinary steps are currently at the hearing stage and recovery is expected from the employees who received the incorrect payments.	16 108
--	---	--------

44. In-kind donations and assistance

The Municipality received the following in-kind donations and assistance:

- DBSA Development Fund Siyenza Manje deployment of a suitably qualified accountant to enhance financial controls.

45. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Material losses through criminal conduct

46. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix A for the comparison of actual operating expenditure versus budgeted expenditure.

47. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix B for the comparison of actual capital expenditure versus budgeted expenditure.

48. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements.

Provincial grant for library upgrade spend was procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the Municipal Manager as Chairperson of the evaluation committee, additionally it was noted in council papers, who considered them and subsequently approved the deviation from the normal supply chain management regulations.

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand

49. Statement of comparative and actual information

2010

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Virement (i.t.o.council approved)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Financial Performance									
Property rates	31 481 454	31 481 454		31 481 454	29 313 077		2 168 377	93 %	93 %
Service charges	176 534 028	177 222 164		177 222 164	197 109 625		(19 887 461)	111 %	112 %
Investment revenue	15 347 077	10 289 514		10 289 514	2 556 202		7 733 312	25 %	17 %
Transfers recognised - operational	65 566 596	64 108 883		64 108 883	71 125 252		(7 016 369)	111 %	108 %
Other own revenue	4 978 581	3 357 191		3 357 191	306 828 442		(303 471 251)	9 139 %	6 163 %
Total revenue (excluding capital transfers and contributions)	293 907 736	286 459 206		286 459 206	606 932 598		(320 473 392)	212 %	207 %
Employee costs	(84 535 313)	(68 177 772)	-	(68 177 772)	(73 633 233)	-	5 455 461	108 %	87 %
Remuneration of councillors	(5 695 671)	(5 695 671)	-	(5 695 671)	(5 490 897)	-	(204 774)	96 %	96 %
Debt impairment	(4 466 887)	(4 466 887)		(4 466 887)	(36 077 190)	-	31 610 303	808 %	808 %
Depreciation and asset impairment	(17 438 109)	(25 019 897)		(25 019 897)	(25 798 673)	-	778 776	103 %	148 %
Finance charges	(3 368 119)	(4 209 557)	-	(4 209 557)	(4 639 961)	-	430 404	110 %	138 %
Materials and bulk purchases	(90 184 659)	(107 716 167)	-	(107 716 167)	(104 057 126)	-	(3 659 041)	97 %	115 %
Other expenditure	(88 167 386)	(70 959 824)	-	(70 959 824)	(69 025 296)	-	(1 934 528)	97 %	78 %
Total expenditure	(293 856 144)	(286 245 775)	-	(286 245 775)	(318 722 376)	-	32 476 601	111 %	108 %
Surplus/(Deficit)	51 592	213 431		213 431	288 210 222		(287 996 791)	135 037 %	558 634 %

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Virement (i.t.o.council approved)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Surplus/(Deficit) for the year	51 592	213 431		213 431	288 210 222		(287 996 791)	135 037 %	558 634 %

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Virement (i.t.o.council approved)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Capital expenditure and funds sources									
Total capital expenditure	53 622	54 625	-	54 625	-	-	54 625	- %	- %
Sources of capital funds									
Transfers recognised - capital	30 496	29 806		29 806	19 627		10 179	66 %	64 %
Borrowing	13 000	13 000		13 000	8 724		4 276	67 %	67 %
Internally generated funds	10 126	11 819		11 819	11 819		-	100 %	117 %
Total sources of capital funds	53 622	54 625		54 625	40 170		14 455	74 %	75 %
Cash flows									
Net cash from (used) operating	31 855	42 087		42 087	18 709 498		(18 667 411)	44 454 %	58 733 %
Net cash from (used) investing	(53 622)	(54 625)		(54 625)	(41 402 560)		41 347 935	75 794 %	77 212 %
Net cash from (used) financing	9 139	20 049		20 049	4 009 365		(3 989 316)	19 998 %	43 871 %
Cash/cash equivalents at the year end	(12 628)	7 511		7 511	(18 683 697)		18 691 208	(248 751)%	147 955 %

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Detailed Income statement

Figures in Rand	Note(s)	2010	2009
Revenue			
Property rates	18	29 313 077	27 245 369
Service charges	19	197 109 625	153 340 994
Rental of facilities and equipment		3 007 924	2 864 910
Fines		2 455 529	3 893 074
Government grants & subsidies	20	71 125 252	84 981 755
Fees earned		470 823	-
Other income 1		1 101 166	-
Interest received - investment	27	2 556 202	8 579 806
Total Revenue		307 139 598	280 905 908
Expenditure			
Personnel	23	(73 633 233)	(67 157 854)
Remuneration of councillors	24	(5 490 897)	(5 075 401)
Administration	25	(5 500)	(11 212)
Depreciation and amortisation	29	(25 798 673)	(23 924 979)
Finance costs	30	(4 639 961)	(4 532 316)
Debt impairment	26	(36 077 190)	(20 257 350)
Collection costs		(756 729)	(1 595 630)
Repairs and maintenance		(13 460 299)	(11 071 558)
Bulk purchases	34	(104 057 126)	(83 044 344)
Contracted services	33	(2 123 233)	(2 063 192)
General Expenses	21	(52 679 535)	(41 804 330)
Total Expenditure		(318 722 376)	(260 538 166)
Loss on disposal of assets and liabilities		-	(228 298)
Fair value adjustments	28	299 793 000	-
Surplus for the year		288 210 222	20 139 444

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Appendix A: Schedule of external loans

Lesedi Local Municipality (GT423)

Appendix A

June 2010

Schedule of external loans as at 30 June 2010

Loan Number	Redeemable	Balance at 30 June 2009	Received during the period	Redeemed written off during the period	Balance at 30 June 2010	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand		

Development Bank of South Africa

R11 JP Jameson - 13.56% fixed	12599/15400	20 Years	72 579	-	10 982	61 597	72 579	-
R12 Mun Off - 13.85% fixed	100023	10 Years	13 612 136	-	2 754 211	10 857 925	19 225 000	1 361 136
R13 Rat Elec - 9.45% fixed	102187	15 Years	4 460 981	-	212 996	4 247 985	4 460 981	-
R14 Electrical UpGrade - 9.59% fixed	102986_1	20 Years	17 615 303	2 261 115	484 606	19 391 812	17 615 308	-
R15 Electrical UpGrade - 5.00% fixed	102986_2	20 Years	13 579 067	-	442 243	13 136 824	13 579 067	-
R16 Vehicles - 11.87% fixed		12 Years	-	2 888 000	-	2 888 000	2 888 000	-
R17 Infrastructure - 6.75% fixed		20 Years	-	3 352 106	-	3 352 106	3 352 106	-
R18 Other - 14.24% fixed		20 Years	-	223 057	-	223 057	223 057	-
			49 340 066	8 724 278	3 905 038	54 159 306	61 416 098	1 361 136

Total external loans

Development Bank of South Africa			49 340 066	8 724 278	3 905 038	54 159 306	61 416 098	1 361 136
			49 340 066	8 724 278	3 905 038	54 159 306	61 416 098	1 361 136

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Supplementary Information

Appendix B: Analysis of property, plant and equipment

Lesedi Local Municipality (GT423)

Appendix B

June 2010

Analysis of property, plant and equipment as at 30 June 2010

Cost/Revaluation	Accumulated depreciation
------------------	--------------------------

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Revaluations R'000	Other changes, movements R'000	Closing Balance R'000	Opening Balance R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Impairment loss R'000	Closing Balance R'000	Carrying value R'000
Land and buildings														
Land (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Sites (Separate for AFS purposes)	884	459	-	-	-	-	1 343	(52)	-	-	(2)	-	(54)	1 289
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	39 707	-	-	-	-	-	39 707	(19 395)	-	-	(1 295)	-	(20 690)	19 017
	40 591	459	-	-	-	-	41 050	(19 447)	-	-	(1 297)	-	(20 744)	20 306
Infrastructure														
Roads, Pavements & Bridges	130 634	11 450	-	-	-	-	142 084	(70 724)	-	-	(6 401)	-	(77 125)	64 959
Storm water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	128 318	8 322	-	-	-	-	136 640	(53 026)	-	-	(5 890)	-	(58 916)	77 724
Dams & Reservoirs	-	5 389	-	-	-	-	5 389	-	-	-	-	-	-	5 389
Water purification	43 884	4 287	-	-	-	-	48 171	(24 498)	-	-	(2 204)	-	(26 702)	21 469
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	57 548	318	-	-	-	-	57 866	(32 051)	-	-	(3 149)	-	(35 200)	22 666
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastrucur)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	360 384	29 766	-	-	-	-	390 150	(180 299)	-	-	(17 644)	-	(197 943)	192 207
Community Assets														
Parks & gardens	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sportsfields and stadium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	5 640	6 254	-	-	-	-	11 894	(1 515)	-	-	(152)	-	(1 667)	10 227
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5 640	6 254	-	-	-	-	11 894	(1 515)	-	-	(152)	-	(1 667)	10 227

Lesedi Local Municipality (GT423)

Appendix B

June 2010

Analysis of property, plant and equipment as at 30 June 2010

Cost/Revaluation						Accumulated depreciation							
Opening Balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Revaluations R'000	Other changes, movements R'000	Closing Balance R'000	Opening Balance R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Impairment loss R'000	Closing Balance R'000	Carrying value R'000

Heritage assets

Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Specialised vehicles

Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	-	977	-	-	-	977	-	-	-	-	-	-	977
Conservancy	-	-	-	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	977	-	-	-	977	-	-	-	-	-	-	977

Other assets

General vehicles	19 335	2 888	(2 723)	-	-	19 500	(12 875)	2 651	-	(1 515)	-	(11 739)	7 761
Plant & equipment	23 451	139	-	-	-	23 590	(13 976)	-	-	(2 093)	-	(16 069)	7 521
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	4 194	33	-	-	-	4 227	(3 157)	-	-	(299)	-	(3 456)	771
Office Equipment	7 322	-	-	-	-	7 322	(3 755)	-	-	(983)	-	(4 738)	2 584
Office Equipment - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	258	-	-	-	-	258	(67)	-	-	(8)	-	(75)	183
Civic land and buildings	42 870	92	-	-	-	42 962	(8 021)	-	-	(1 416)	-	(9 437)	33 525
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	311	147	-	-	-	458	(92)	-	-	(40)	-	(132)	326
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	609	-	-	-	-	609	(286)	-	-	(57)	-	(343)	266
	98 350	3 299	(2 723)	-	-	98 926	(42 229)	2 651	-	(6 411)	-	(45 989)	52 937

Total property plant and equipment

Land and buildings	40 591	459	-	-	-	41 050	(19 447)	-	-	(1 297)	-	(20 744)	20 306
Infrastructure	360 384	29 766	-	-	-	390 150	(180 299)	-	-	(17 644)	-	(197 943)	192 207
Community Assets	5 640	6 254	-	-	-	11 894	(1 515)	-	-	(152)	-	(1 667)	10 227
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	977	-	-	-	977	-	-	-	-	-	-	977
Other assets	98 350	3 299	(2 723)	-	-	98 926	(42 229)	2 651	-	(6 411)	-	(45 989)	52 937

June 2010

Opening Balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Revaluations R'000	Other changes, movements R'000	Closing Balance R'000	Opening Balance R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Impairment loss R'000	Closing Balance R'000	Carrying value R'000
504 965	40 755	(2 723)	-	-	-	542 997	(243 490)	2 651	-	(25 504)	-	(266 343)	276 654
363	-	-	-	-	-	363	(168)	-	-	(8)	-	(176)	187
-	-	-	-	-	-	-	-	-	-	-	-	-	-
363	-	-	-	-	-	363	(168)	-	-	(8)	-	(176)	187
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 591	459	-	-	-	-	41 050	(19 447)	-	-	(1 297)	-	(20 744)	20 306
360 384	29 766	-	-	-	-	390 150	(180 299)	-	-	(17 644)	-	(197 943)	192 207
5 640	6 254	-	-	-	-	11 894	(1 515)	-	-	(152)	-	(1 667)	10 227
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	977	-	-	-	-	977	-	-	-	-	-	-	977
98 350	3 299	(2 723)	-	-	-	98 926	(42 229)	2 651	-	(6 411)	-	(45 989)	52 937
-	-	-	-	-	-	-	-	-	-	-	-	-	-
363	-	-	-	-	-	363	(168)	-	-	(8)	-	(176)	187
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
505 328	40 755	(2 723)	-	-	-	543 360	(243 658)	2 651	-	(25 512)	-	(266 519)	276 841

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Supplementary Information

Appendix C: Segmental analysis of property, plant and equipment

Appendix C

June 2010

Segmental analysis of property, plant and equipment as at 30 June 2010

Cost/Revaluation

Accumulated Depreciation

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Revaluations R'000	Other changes, movements R'000	Closing Balance R'000	Opening Balance R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Impairment deficit R'000	Closing Balance R'000	Carrying value R'000
Municipality														
Executive & Council/Mayor and Council	3 225	-	(2 723)	-	-	-	502	(2 406)	2 651	-	(255)	-	(10)	492
Finance & Admin/Finance	5 042	2 303	-	-	-	-	7 345	(3 345)	-	-	(354)	-	(3 699)	3 646
Planning and Development/Economic Development/Plan	12 276	2 336	-	-	-	-	14 612	(538)	-	-	(57)	-	(595)	14 017
Health/Clinics	22 266	2 450	-	-	-	-	24 716	(2 134)	-	-	(226)	-	(2 360)	22 356
Comm. & Social/Libraries and archives	59 299	23	-	-	-	-	59 322	(21 994)	-	-	(2 329)	-	(24 323)	34 999
Housing	19 094	-	-	-	-	-	19 094	(7 908)	-	-	(837)	-	(8 745)	10 349
Public Safety/Police	15 558	3 135	-	-	-	-	18 693	(8 065)	-	-	(854)	-	(8 919)	9 774
Sport and Recreation	10 812	738	-	-	-	-	11 550	(3 058)	-	-	(324)	-	(3 382)	8 168
Waste Water Management/Sewerage	13 223	5 062	-	-	-	-	18 285	(6 831)	-	-	(723)	-	(7 554)	10 731
Road Transport/Roads	130 634	8 153	-	-	-	-	138 787	-	-	-	-	-	-	138 787
Water/Water Distribution	50 173	9 880	-	-	-	-	60 053	(32 040)	-	-	(3 392)	-	(35 432)	24 621
Electricity /Electricity Distribution	128 684	5 981	-	-	-	-	134 665	(54 621)	-	-	(5 783)	-	(60 404)	74 261
Other/Air Transport	57 364	1 414	-	-	-	-	58 778	(100 719)	-	-	(10 664)	-	(111 383)	(52 605)
	527 650	41 475	(2 723)	-	-	-	566 402	(243 659)	2 651	-	(25 798)	-	(266 806)	299 596
Municipal Owned Entities														
Total														
Municipality	527 650	41 475	(2 723)	-	-	-	566 402	(243 659)	2 651	-	(25 798)	-	(266 806)	299 596
	527 650	41 475	(2 723)	-	-	-	566 402	(243 659)	2 651	-	(25 798)	-	(266 806)	299 596

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Supplementary Information

Appendix D: Segmental Statement of Financial Performance

Appendix D

June 2010

Segmental Statement of Financial Performance for the year ended Prior Year Current Year

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality						
28 539 414	10 789 398	17 750 016	Executive & Council/Mayor and Council	31 132 490	13 448 859	17 683 631
42 985 208	43 434 493	(449 285)	Finance & Admin/Finance	345 798 177	47 083 481	298 714 696
11 231 525	8 214 729	3 016 796	Planning and Development/Economic Development/Plan	2 902 735	7 755 804	(4 853 069)
14 938 776	6 096 707	8 842 069	Health/Clinics	10 146 961	5 092 982	5 053 979
2 361 031	6 802 984	(4 441 953)	Comm. & Social/Libraries and archives	3 879 996	8 493 731	(4 613 735)
4 061 606	10 973 357	(6 911 751)	Public Safety/Police	2 544 440	11 706 215	(9 161 775)
61 343	2 037 766	(1 976 423)	Sport and Recreation	1 827 751	1 930 311	(102 560)
142 769	7 273 829	(7 131 060)	Environmental Protection/Pollution Control	261	7 519 310	(7 519 049)
50 192 283	32 618 164	17 574 119	Waste Water Management/Sewerage	34 653 300	41 130 079	(6 476 779)
35 800 625	41 683 762	(5 883 137)	Water/Water Distribution	42 693 486	37 730 788	4 962 698
90 363 029	90 612 979	(249 950)	Electricity /Electricity Distribution	131 352 998	136 826 075	(5 473 077)
280 677 609	260 538 168	20 139 441		606 932 595	318 717 635	288 214 960
Municipal Owned Entities Other charges						
280 677 609	260 538 168	20 139 441	Municipality	606 932 595	318 717 635	288 214 960
280 677 609	260 538 168	20 139 441	Total	606 932 595	318 717 635	288 214 960

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Supplementary Information

Appendix E(1): Actual versus Budget (Revenue and Expenditure)

Appendix E(1)

June 2010

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2010

	Current year 2009 Act. Bal.	Current year 2009 Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
	Rand	Rand	Rand		
Revenue					
Sale of goods	-	-	-	-	(Explanations to be recorded)
Sale of goods in agricultural activities	-	-	-	-	
Rendering of services	-	-	-	-	
Rendering of services in agricultural activities	-	-	-	-	
Property rates	29 313 077	-	29 313 077	-	
Service charges	197 109 624	-	197 109 624	-	
Levies	-	-	-	-	
Property rates - penalties imposed and collection charges	-	-	-	-	
Sales of housing	-	-	-	-	
Construction contracts	-	-	-	-	
Royalty income	-	-	-	-	
Rental of facilities and equipment	3 007 924	-	3 007 924	-	
Interest received (trading)	-	-	-	-	
Dividends received	-	-	-	-	
Income from agency services	-	-	-	-	
Public contributions and donations	-	-	-	-	
Fines	2 455 529	-	2 455 529	-	
Licences and permits	-	-	-	-	
Government grants & subsidies	71 125 252	-	71 125 252	-	
Municipal Revenue UD1	-	-	-	-	
Municipal Revenue UD2	-	-	-	-	
Revenue 1	-	-	-	-	
Revenue 2	-	-	-	-	
Miscellaneous other revenue	-	-	-	-	
Administration and management fees received	-	-	-	-	
Fees earned	470 823	-	470 823	-	
Commissions received	-	-	-	-	
Royalties received	-	-	-	-	
Rental income	-	-	-	-	
Discount received	-	-	-	-	
Recoveries	-	-	-	-	
Other income 1	1 101 166	-	1 101 166	-	
Other income 2	-	-	-	-	
Other income 3	-	-	-	-	
Other income	-	-	-	-	
Other farming income 1	-	-	-	-	
Other farming income 2	-	-	-	-	
Other farming income 3	-	-	-	-	
Other farming income 4	-	-	-	-	
Other farming income	-	-	-	-	
Government grants	-	-	-	-	
Interest received - investment	2 556 202	-	2 556 202	-	

Appendix E(1)

June 2010

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2010

	Current year 2009 Act. Bal.	Current year 2009 Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
Interest received - other	-	-	-	-
Dividends received	-	-	-	-
	307 139 597	-	307 139 597	-
Expenses				
Personnel	(73 633 232)	-	(73 633 232)	-
Manufacturing -	-	-	-	-
Employee costs	-	-	-	-
Remuneration of	(5 490 897)	-	(5 490 897)	-
councillors	-	-	-	-
Administration	(5 500)	-	(5 500)	-
Transfer payments	-	-	-	-
Depreciation	(25 798 674)	-	(25 798 674)	-
Impairment	-	-	-	-
Amortisation	-	-	-	-
Impairments	-	-	-	-
Reversal of impairments	-	-	-	-
Finance costs	(4 639 961)	-	(4 639 961)	-
Debt impairment	(36 077 191)	-	(36 077 191)	-
Collection costs	(756 729)	-	(756 729)	-
Repairs and maintenance	-	-	-	-
- Manufacturing expenses	-	-	-	-
Repairs and maintenance	(13 460 299)	-	(13 460 299)	-
- General	-	-	-	-
Repairs and maintenance	-	-	-	-
- General	-	-	-	-
Bulk purchases	(104 057 126)	-	(104 057 126)	-
Contracted Services	(2 123 233)	-	(2 123 233)	-
Grants and subsidies paid	-	-	-	-
Cost of housing sold	-	-	-	-
General Expenses	(52 679 535)	-	(52 679 535)	-
Other (taken out of	-	-	-	-
General expenses)	-	-	-	-
Other (taken out of	-	-	-	-
General expenses)	-	-	-	-
Other (taken out of	-	-	-	-
General expenses)	-	-	-	-
Other (taken out of	-	-	-	-
General expenses)	-	-	-	-
Other (taken out of	-	-	-	-
General expenses)	-	-	-	-
	(318 722 377)	-	(318 722 377)	-
Other revenue and costs				
Gain or loss on disposal	-	-	-	-
of assets and liabilities	-	-	-	-
Gain or loss on exchange	-	-	-	-
differences	-	-	-	-
Fair value adjustments	299 793 000	-	299 793 000	-
Gains or losses on	-	-	-	-
biological assets and	-	-	-	-
agricultural produce	-	-	-	-
Income from equity	-	-	-	-
accounted investments	-	-	-	-

Appendix E(1)

June 2010

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2010

	Current year 2009 Act. Bal.	Current year 2009 Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
Gain or loss on disposal of non-current assets held for sale or disposal groups	-	-	-	-
Taxation	-	-	-	-
Discontinued operations	-	-	-	-
	299 793 000	-	299 793 000	-
Net surplus/ (deficit) for the year	288 210 220	-	288 210 220	-

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Supplementary Information

Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)

Lesedi Local Municipality (GT423)

Appendix E(2)

June 2010

Budget Analysis of Capital Expenditure as at 30 June 2010

	Additions	Revised	Variance	Variance	Explanation of significant
	Rand	Budget	Rand	%	variances from budget
		Rand			
Municipality					
Finance & Admin/Finance	791	821	30	4	
Planning and	223	1 626	1 403	86	Expenses covered by Operational Grant
Development/Economic					
Development/Plan					
Health/Clinics	3 227	3 804	577	15	Projects completed - Saving on project costs
Public Safety/Police	977	1 120	143	13	Savings due to quotations less than expected
Sport and Recreation	2 857	2 715	(142)	(5)	
Environmental Protection/Pollution	139	150	11	7	
Control					
Waste Water	2 194	1 817	(377)	(21)	Expenditure on dumping site - add to budget
Management/Sewerage					
Road Transport/Roads	13 070	18 667	5 597	30	Due to rainfall 3mnth behind schedule
Water/Water Distribution	9 675	15 018	5 343	36	Due non perofrmance contractor - new contr
Electricity /Electricity Distribution	8 322	8 797	475	5	
	41 475	54 535	13 060	24	

Municipal Owned Entities

Other charges

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Supplementary Information

Appendix F: Disclosure of grants and subsidies in terms of the Municipal Finance Management Act

Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003
June 2010

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
		Jun	Sep	Dec	Mar	Jun	Jun	Sep	Dec	Mar	Jun	Jun	Sep	Dec	Mar	Jun		Yes/ No	
Job Creation Centre Ext 23	DPW	295	-	-	-	-	-	-	-	-	223	-	-	-	-	72		No	
Swimming Pool	DPW	36	-	-	-	-	-	-	-	-	24	-	-	-	-	12		Yes	
Extension of Clinic	DPLG	153	-	-	-	19	-	-	-	-	92	-	-	-	-	80	LCMC 290/07/2010		
Library Vischkuil	LSAC	2 000	-	-	-	-	-	-	-	-	1 797	-	-	-	-	203	LCMC 292/07/2010		
Bulk Water supply: Obed Nkosi	MIG	-	-	-	-	6 000	-	-	-	-	2 725	-	-	-	-	3 275	LCMC 244/06/2010		
Reservoir Bulk Water: Obed Nkosi	MIG	7 016	-	-	-	-	-	-	-	-	5 389	-	-	-	-	1 627	LCMC 244/06/2010		
Roads Lesedi Received for 10 - 11	MIG	-	-	-	-	6 000	-	-	-	-	-	-	-	-	-	6 000		Yes	
Roads Lesedi	MIG	-	-	-	-	10 602	-	-	-	-	4 888	-	-	-	-	5 714	LCMC 244/06/2010		
Early Childhood Development Centre	SIG	883	-	-	-	2 252	-	-	-	-	3 135	-	-	-	-	-		Yes	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Prof fees Early Childhood Devel Centre	SIG	563	-	-	-	-	-	-	-	-	563	-	-	-	-	-		Yes	
MSIG Activities	MSIG	-	-	-	-	38	-	-	-	-	38	-	-	-	-	-		Yes	
FMG Activities	FMG	-	-	-	-	33	-	-	-	-	33	-	-	-	-	-		Yes	
Infrastructure Informal Traders	VUNA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		Yes	
Installation of SCM System	SDC	-	-	-	-	750	-	-	-	-	720	-	-	-	-	30	ONGOING 2010/11		
Devel Plan for Lesedi Water Services	DWAF	505	-	-	-	-	-	-	-	-	505	-	-	-	-	-		Yes	
Ratanda house connections/Distribution	DPLG	70	-	-	-	-	-	-	-	-	70	-	-	-	-	-		Yes	
Tokolohong & Kwa Zenzele	NER	39	-	-	-	-	-	-	-	-	39	-	-	-	-	-		Yes	

People Housing Project	Housing	5	-	-	-	-	-	-	-	5	-	-	-	-	-	Yes
DSC Network Kwa Zenzele	SDC	38	-	-	-	-	-	-	-	38	-	-	-	-	-	Yes
GPG - VAT Conversion	DPLG	70	-	-	-	-	-	-	-	70	-	-	-	-	-	Yes
76 Gautrans Houses	Gautrans	148	-	-	-	-	-	-	-	148	-	-	-	-	-	Yes
Libraries recapitalization	DSACR	2 092	-	-	-	-	-	-	-	1 611	-	-	-	-	481	LCMC 292/01/2010
Libraries Plan	DSACR	33	-	-	-	349	-	-	-	295	-	-	-	-	87	LCMC 292/07/2010
Appointment Agri Expert	D AGRI	216	-	-	-	300	-	-	-	191	-	-	-	-	325	ONGOING 2010/11
HIV/AIDS Grant	DPLG	1 078	-	-	-	-	-	-	-	1 078	-	-	-	-	-	Yes
Funeral indigents	DPLG	9	-	-	-	-	-	-	-	9	-	-	-	-	-	Yes
Clean Towns: Bontle Ke Botho	GDACE	317	-	-	-	-	-	-	-	245	-	-	-	-	72	LCMC 290/07/2010
Ward Participation	MSIG	3	-	-	-	167	-	-	-	170	-	-	-	-	-	Yes
Fixed Asset Register	MSIG	-	-	-	-	162	-	-	-	162	-	-	-	-	-	Yes
Library System	MSIG	-	-	-	-	10	-	-	-	10	-	-	-	-	-	Yes
PRMS	MSIG	-	-	-	-	55	-	-	-	55	-	-	-	-	-	Yes
Valuation Roll	MSIG	70	-	-	-	303	-	-	-	373	-	-	-	-	-	Yes
Alien Plant Removal	SRM	286	-	-	-	599	-	-	-	445	-	-	-	-	440	ONGOING 2010/11
FMG: Finance	FMG	-	-	-	-	2 717	-	-	-	2 211	-	-	-	-	506	ONGOING 2010/11
Taxi rank	SDC	10	-	-	-	79	-	-	-	89	-	-	-	-	-	Yes
Vuna Awards - Debt Collection	Vuna	19	-	-	-	-	-	-	-	19	-	-	-	-	-	Yes
Energy Saving Project	SDC	-	-	-	-	150	-	-	-	150	-	-	-	-	-	Yes
Tokolong Agri Village	Housing	157	-	-	-	-	-	-	-	157	-	-	-	-	-	Yes
Mayibuye Project	Housing	99	-	-	-	-	-	-	-	99	-	-	-	-	-	Yes
MHS Claims Prior year	SDC	(510)	-	-	-	510	-	-	-	-	-	-	-	-	-	Yes
MHS Claims	SDC	-	-	-	-	2 046	-	-	-	2 292	-	-	-	-	(246)	Yes
PHC Claims prior year	SDC	(863)	-	-	-	863	-	-	-	-	-	-	-	-	-	Yes
PHC Rensburg	SDC	-	-	-	-	741	-	-	-	1 134	-	-	-	-	(392)	Yes
PHC Ratanda	SDC	-	-	-	-	638	-	-	-	943	-	-	-	-	(305)	Yes
PHC Vischkuil	SDC	-	-	-	-	3	-	-	-	7	-	-	-	-	(4)	Yes
PHC Jameson Park	SDC	-	-	-	-	36	-	-	-	52	-	-	-	-	(16)	Yes
PHC Ext 7	SDC	-	-	-	-	359	-	-	-	570	-	-	-	-	(211)	Yes
PHC Ext 23	SDC	-	-	-	-	48	-	-	-	78	-	-	-	-	(30)	Yes
Install Venus system - programming	DBSA	8	-	-	-	-	-	-	-	8	-	-	-	-	-	Yes
Install Venus system - training	DBSA	17	-	-	-	-	-	-	-	17	-	-	-	-	-	Yes
Installation of Venus system	DBSA	(1 221)	-	-	-	1 221	-	-	-	-	-	-	-	-	-	Yes
		13 641	-	-	-	37 050	-	-	-	32 972	-	-	-	-	17 720	

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

Lesedi Local Municipality (GT423)

(Registration number GT 423)

Annual Financial Statements for the year ended 30 June 2010

Supplementary Information

Appendix G: Bank and Cash balances

Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003
June 2010

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
		Jun	Sep	Dec	Mar	Jun	Jun	Sep	Dec	Mar	Jun	Jun	Sep	Dec	Mar	Jun		Yes/ No	
Job Creation Centre Ext 23	DPW	295	-	-	-	-	-	-	-	-	223	-	-	-	-	72		No	
Swimming Pool	DPW	36	-	-	-	-	-	-	-	-	24	-	-	-	-	12		Yes	
Extension of Clinic	DPLG	153	-	-	-	19	-	-	-	-	92	-	-	-	-	80	LCMC 290/07/2010		
Library Vischkuil	LSAC	2 000	-	-	-	-	-	-	-	-	1 797	-	-	-	-	203	LCMC 292/07/2010		
Bulk Water supply: Obed Nkosi	MIG	-	-	-	-	6 000	-	-	-	-	2 725	-	-	-	-	3 275	LCMC 244/06/2010		
Reservoir Bulk Water: Obed Nkosi	MIG	7 016	-	-	-	-	-	-	-	-	5 389	-	-	-	-	1 627	LCMC 244/06/2010		
Roads Lesedi Received for 10 - 11	MIG	-	-	-	-	6 000	-	-	-	-	-	-	-	-	-	6 000		Yes	
Roads Lesedi	MIG	-	-	-	-	10 602	-	-	-	-	4 888	-	-	-	-	5 714	LCMC 244/06/2010		
Early Childhood Development Centre	SIG	883	-	-	-	2 252	-	-	-	-	3 135	-	-	-	-	-		Yes	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Prof fees Early Childhood Devel Centre	SIG	563	-	-	-	-	-	-	-	-	563	-	-	-	-	-		Yes	
MSIG Activities	MSIG	-	-	-	-	38	-	-	-	-	38	-	-	-	-	-		Yes	
FMG Activities	FMG	-	-	-	-	33	-	-	-	-	33	-	-	-	-	-		Yes	
Infrastructure Informal Traders	VUNA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		Yes	
Installation of SCM System	SDC	-	-	-	-	750	-	-	-	-	720	-	-	-	-	30	ONGOING 2010/11		
Devel Plan for Lesedi Water Services	DWAF	505	-	-	-	-	-	-	-	-	505	-	-	-	-	-		Yes	
Ratanda house connections/Distribution	DPLG	70	-	-	-	-	-	-	-	-	70	-	-	-	-	-		Yes	
Tokolohong & Kwa Zenzele	NER	39	-	-	-	-	-	-	-	-	39	-	-	-	-	-		Yes	

People Housing Project	Housing	5	-	-	-	-	-	-	-	5	-	-	-	-	-	Yes
DSC Network Kwa Zenzele	SDC	38	-	-	-	-	-	-	-	38	-	-	-	-	-	Yes
GPG - VAT Conversion	DPLG	70	-	-	-	-	-	-	-	70	-	-	-	-	-	Yes
76 Gautrans Houses	Gautrans	148	-	-	-	-	-	-	-	148	-	-	-	-	-	Yes
Libraries recapitalization	DSACR	2 092	-	-	-	-	-	-	-	1 611	-	-	-	-	481	LCMC 292/01/2010
Libraries Plan	DSACR	33	-	-	-	349	-	-	-	295	-	-	-	-	87	LCMC 292/07/2010
Appointment Agri Expert	D AGRI	216	-	-	-	300	-	-	-	191	-	-	-	-	325	ONGOING 2010/11
HIV/AIDS Grant	DPLG	1 078	-	-	-	-	-	-	-	1 078	-	-	-	-	-	Yes
Funeral indigents	DPLG	9	-	-	-	-	-	-	-	9	-	-	-	-	-	Yes
Clean Towns: Bontle Ke Botho	GDACE	317	-	-	-	-	-	-	-	245	-	-	-	-	72	LCMC 290/07/2010
Ward Participation	MSIG	3	-	-	-	167	-	-	-	170	-	-	-	-	-	Yes
Fixed Asset Register	MSIG	-	-	-	-	162	-	-	-	162	-	-	-	-	-	Yes
Library System	MSIG	-	-	-	-	10	-	-	-	10	-	-	-	-	-	Yes
PRMS	MSIG	-	-	-	-	55	-	-	-	55	-	-	-	-	-	Yes
Valuation Roll	MSIG	70	-	-	-	303	-	-	-	373	-	-	-	-	-	Yes
Alien Plant Removal	SRM	286	-	-	-	599	-	-	-	445	-	-	-	-	440	ONGOING 2010/11
FMG: Finance	FMG	-	-	-	-	2 717	-	-	-	2 211	-	-	-	-	506	ONGOING 2010/11
Taxi rank	SDC	10	-	-	-	79	-	-	-	89	-	-	-	-	-	Yes
Vuna Awards - Debt Collection	Vuna	19	-	-	-	-	-	-	-	19	-	-	-	-	-	Yes
Energy Saving Project	SDC	-	-	-	-	150	-	-	-	150	-	-	-	-	-	Yes
Tokolong Agri Village	Housing	157	-	-	-	-	-	-	-	157	-	-	-	-	-	Yes
Mayibuye Project	Housing	99	-	-	-	-	-	-	-	99	-	-	-	-	-	Yes
MHS Claims Prior year	SDC	(510)	-	-	-	510	-	-	-	-	-	-	-	-	-	Yes
MHS Claims	SDC	-	-	-	-	2 046	-	-	-	2 292	-	-	-	-	(246)	Yes
PHC Claims prior year	SDC	(863)	-	-	-	863	-	-	-	-	-	-	-	-	-	Yes
PHC Rensburg	SDC	-	-	-	-	741	-	-	-	1 134	-	-	-	-	(392)	Yes
PHC Ratanda	SDC	-	-	-	-	638	-	-	-	943	-	-	-	-	(305)	Yes
PHC Vischkuil	SDC	-	-	-	-	3	-	-	-	7	-	-	-	-	(4)	Yes
PHC Jameson Park	SDC	-	-	-	-	36	-	-	-	52	-	-	-	-	(16)	Yes
PHC Ext 7	SDC	-	-	-	-	359	-	-	-	570	-	-	-	-	(211)	Yes
PHC Ext 23	SDC	-	-	-	-	48	-	-	-	78	-	-	-	-	(30)	Yes
Install Venus system - programming	DBSA	8	-	-	-	-	-	-	-	8	-	-	-	-	-	Yes
Install Venus system - training	DBSA	17	-	-	-	-	-	-	-	17	-	-	-	-	-	Yes
Installation of Venus system	DBSA	(1 221)	-	-	-	1 221	-	-	-	-	-	-	-	-	-	Yes
		13 641	-	-	-	37 050	-	-	-	32 972	-	-	-	-	17 720	

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.